

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AF-10 COME-00 TRSE-00 OMB-01

INT-08 SCEM-02 SCI-06 AID-20 CEA-02 EB-11 EA-11

FRB-02 NEA-10 OPIC-12 CIEP-02 LAB-06 SIL-01 DRC-01

FPC-01 /242 W

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R 031622Z DEC 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 2496

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION NATO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS SECTION 1 OF 2 THE HAGUE 5283

E.O. 11652: N/A

TAGS: ENRG, NL

SUBJECT: PRIME MINISTER'S DECEMBER 1 SPEECH ON ENERGY CRISIS

REF: THE HAGUE 5273

FOLLOWING IS COMPLETETEXT OF PRIME MINISTER'S SPECIAL
MESSAGE ON ENERGY CRISIS. BEGIN TEXT:

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'YESTERDAY THE GOVERNMENT DECIDED THAT PETROL SHALL BE

AVAILABLE ONLY ON COUPONS AS FROM JANUARY 7.

'THIS MEANS THAT FOR THE FIRST TIME SINCE THE WAR A YOUNG GENERATION WILL LEARN WHAT RATIONING AND SCARCITY IS.

'MANY PEOPLE ARE DEEPLY CONCERNED ABOUT THE EFFECTS WHICH THE OIL CRISIS MAY HAVE ON OUR PROSPERITY AND IN PARTICULAR ON EMPLOYMENT. I WANT TO START BY SAYING THAT THERE IS REASON FOR THIS CONCERN, ALTHOUGH WE MUST BE CAREFUL NOT TO EXAGGERATE.

'TONIGHT I AM ADDRESSING YOU TO TELL YOU AS CLEARLY AS POSSIBLE WHAT PROBLEMS OUR NATION NOW HAS TO FACE AND HOW THE GOVERNMENT WANTS TO COPE WITH THESE PROBLEMS.

'THE ENERGY CRISIS WE ARE FACING IS A WORLD-WIDE PROBLEM. LAST SUMMER, LONG BEFORE THE OUTBREAK OF THE HOSTILITIES IN THE MIDDLE EAST, THE BIGGEST OIL-CONSUMING COUNTRY IN THE WORLD, THE UNITED STATES, STARTED RESTRICTING OIL CONSUMPTION AND AT THE SAME TIME OIL PRICES WENT UP BY LEAPS AND BOUNDS. THESE WERE SIGNS OF A SHORTAGE OF ENERGY IN GENERAL AND OF OIL IN PARTICULAR.

'IN THE MIDDLE OF OCTOBER MOST OIL PRODUCING COUNTRIES IN THE MIDDLE EAST DECIDED TO REDUCE PRODUCTION. THE ACTUAL CUT-BACK NOW AMOUNTS TO ABOUT 25 PERCENT. ALL CONSUMER-COUNTRIES IN THE WORLD, FROM JAPAN TO CANADA, ARE FEELING THE EFFECTS OF THIS.

'BY THE END OF OCTOBER A SPECIAL BOYCOTT AGAINST NETHERLANDS WAS PROCLAIMED. OUR COUNTRY WILL NOW HAVE TO COPE WITH AN EXTRA RESTRICTION OF OIL SUPPLIES WHICH MAY RESULT FROM THIS.

'SOME PEOPLE WONDER WHETHER THE RESTRICTIONS ANNOED SO FAR WILL SUFFICE. OTHERS, HOWEVER, WONDER WHETHER THEY ARE NECESSARY AT ALL, SINCE, THEY SAY, THERE ARE SUBSTANTIAL STOCKS. THE TANKS IN THE RIJNMOND AREA ARE FULL.

'ALLOW ME FIRST TO EXPLAIN WHY I FEEL THAT THESE MEASURES ARE INEVITABLE, DESPITE THOS FULL TANKS. IMMEDIATELY AFTER IT BECAME CLEAR THAT THE ARAB OIL-PRODUCING COUNTRIES WERE GOING TO CUT DOWN THEIR PRODUCTION DRASTICALLY, THE GOVERNMENT ASKED THE OIL COMPANIES TO RESTRICT THEIR DELIVERIES, INCLUDING THOSE FOR EXPORTS.

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'AND YOU KNOW THAT ON OCTOBER 31 HOLLAND WAS THE FIRST COUNTRY IN EUROPE TO HAVE A CARLESS SUNDAY.

'WHAT DOES ALL THIS MEAN? AN OIL TANKER FROM THE MIDDLE EAST TAKES ABOUT FIVE WEEKS TO GET HERE. IN THE PAST MONTH, NOVEMBER, WE THEREFORE RECEIVED THE OIL LOADED BEFORE THE BOYCOTT. AT THE SAME TIME WE RESTRICTED CONSUMPTION SO THAT THE

STOCKS INCREASED. THAT IS FORTUNATE. BUT NOW SUPPLIES ARE DROPPING RAPIDLY, WHICH MEANS THAT THE STOCKS ARE DECLINING. LAST WEEK SUPPLIES HAD DROPPED ALREADY BY 30 PERCENT. I AM FOLLOWING THESE STATISTICS FROM DAY TO DAY. IT WOULD INDEED BE POSSIBLE FOR US TO CARRY ON NORMALLY WITH OUR STOCKS FOR ANOTHER TWO OR THREE MONTHS, BUT IF WE DID SO WE WOULD RUN A VERY BIG RISK OF HAVING AN EMERGENCY SITUATION IN MARCH. THIS WOULD BE IRRESPONSIBLE.

'WE HAVE TO TAKE SERIOUS ACCOUNT OF THE PROBABILITY THAT FOR QUITE SOME TIME OIL SUPPLIES WILL REMAIN BETWEEN 20 AND 30 PERCENT, OR EVEN MORE, BELOW THEIR NORMAL LEVEL.

'THEREFORE THESE MEASURES HAVE BECOME INEVITABLE.

'THE PRIMARY CONCERN OF THE GOVERNMENT IS THE MAINTENANCE OF EMPLOYMENT. YOU SHOULD SEE THIS IN THE FOLLOWING WAY: BROADLY SPEAKING ABOUT 70 PERCENT OF THE OIL COMING INTO HOLLAND IS USED BY TRADE AND INDUSTRY AND 30 PERCENT BY CITIZENS FOR TRANSPORT, HEATING AND LIGHTING. THE MORE WE SAVE AT HOME AND ON THE ROADS AS PRIVATE CITIZENS, THE LONGER WE SHALL BE ABLE TO KEEP OUR ECONOMY GOING AND TO KEEP UNEMPLOYMENT LIMITED. IT IS FOR THIS REASON THAT THE GOVERNMENT HAS STARTED TO RESTRICT PRIVATE PETROL CONSUMPTION AND THAT IT HAS APPEALED TO YOU TO ECONOMISE ON HEATING AND LIGHTING.

'I WOULD LIKE TO REPEAT THIS APPEAL: STICK TO THE MAXIMUM OF 100 KILOMETRES AN HOUR ON THE ROADS AND, TRUCK DRIVERS, STICK TO THOSE 80 KILOMETRES; BE ECONOMICAL WITH ELECTRICITY, TURN DOWN YOUR HEATING AND TURN IT OFF EARLIER*

'OUR COUNTRY IS IN A SPECIAL POSITION. WE HAVE MANY IMPORTANT INDUSTRIES WHICH USE OIL AS A RAW MATERIAL. THIS MAKES US ALL THE

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MORE VULNERABLE. ON THE OTHER HAND, WE FORTUNATELY HAVE MUCH NATURAL GAS AND THE GOVERNMENT ALSO WANTS TO USE THIS NATURAL GAS NOW THAT WE ARE FACED WITH AN EMERGENCY. IN WINTER, WHEN MUCH NATURAL GAS IS BEING USED, ELECTRIC POWER STATIONS USUALLY CONSUME OIL. THIS WINTER WE WANT TO PREVENT THIS, BUT IF WE ARE TO SUCCEED, THEN WE SHALL ALSO HAVE TO BE ECONOMICAL WITH NATURAL GAS AT HOME AND AT WORK.

' AND THEN THE VERY IMPORTANT QUESTION WHETHER IT WILL BE POSSIBLE TO PREVENT SERIOUS UNEMPLOYMENT. AT THE MOMENT ALARMINGLY HIGH FIGURES ABOUT THIS ARE BEING MENTIONED. I ALREADY SAID SO, THERE IS, INDEED, REASON FOR GRAVE CONCERN. SUPPOSE THAT THE OIL SUPPLIES WILL DECREASE EVEN MORE, SAY BY 40 PERCENT, AND THAT THIS WILL LAST LONGER THAN HALF A YEAR SO THAT OUR STOCKS, WHICH WE STILL HAVE NOW, WILL DWINDLE, THEN EMPLOYMENT IN A

NUMBER OF BRANCHES OF INDUSTRY WILL INEVITABLY COLLAPSE.

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R 031622Z DEC 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 2497

INFO AEMBASSY BONN 3181

AMEMBASSY BRUSSELS

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AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

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AMEMBASSY ROME

USMISSION NATO

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USMISSION OECD PARIS

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'BUT THE GOVERNMENT IS PREPARING A SERIES OF MEASURES TO
PREVENT SUCH A FATAL DEVELOPMENT AND WE FEEL THAT, WITH EVERYBODY'S
COOPERATION, SUCCESS WILL BE POSSIBLE WITH THESE MEASURES.

'IN THE FIRST PLACE THE GOVERNMENT WANTS TO SAVE MORE OIL IN
THE PRIVATE SECTOR IN ORDER TO HAVE MORE OIL AVAILABLE FOR INDUSTRY;
THAT IS WHY PETROL IS BEING RATIONED. OTHER MEASURES WILL BE AIMED
AT CUTTING BACK UNNECESSARY ELECTRICITY CONSUMPTION--FOR EXAMPLE

CHRISTMAS LIGHTING.

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'THE GOVERNMENT ALSO INTENDS TO REPLACE THE USE OF OIL BY NATURAL GAS AS WIDELY AND AS QUICKLY AS POSSIBLE WHEREVER THIS IS TECHNICALLY FEASIBLE. MOREOVER, THE GOVERNMENT IS PREPARING AN ALLOCATION OF ALL OIL PRODUCTS, HENCE NOT ONLY OF PETROL, AIMED AT GIVING PRIORITY IN OIL SUPPLIES TO INDUSTRIES FROM WHICH EMPLOYMENT WILL BENEFIT MOST.

'WHETHER IT WILL BE POSSIBLE TO PREVENT AN INCREASE IN UNEMPLOYMENT IN THIS WAY DOES NOT DEPEND ONLY ON THE NETHERLANDS.

'MUCH DEPENDS ON THE POSITION TO BE ADOPTED BY THE OTHER MEMBER-COUNTRIES OF THE EUROPEAN COMMUNITY. THE GOVERNMENT CALLS FOR THE APPLICATION OF THE BASIC PRINCIPLES OF THE EUROPEAN COMMUNITY. THIS COMMUNITY CAN FUNCTION ONLY IF SCARCE PRODUCTS ARE SHARED PROPORTIONALLY, AND DURING THE FORTHCOMING INTERNATIONAL CONSULTATIONS THE GOVERNMENT WILL INSIST STRONGLY THAT EUROPEAN SOLIDARITY MUST NOW BE DEMONSTRATED. NOW THE COMMUNITY WILL HAVE TO SHOW WHAT IT IS WORTH.

'I MUST ADD HERE THAT EVEN IF THIS SOLIDARITY IS DEMONSTRATED, THE WHOLE OF EUROPE, HENCE ALSO OUR COUNTRY, WILL FEEL THE EFFECTS OF THE OIL CRISIS BY DECLINING ECONOMIC GROWTH AND RISING PRICES. THERE WILL SIMPLY BE LESS TO SHARE.

'EVEN IF THE SPECIAL BOYCOTT AGAINST OUR COUNTRY WERE TO BE ENDED, WE SHALL CONTINUE TO BE FACED WITH THE REDUCTION IN OIL PRODUCTION AND WITH THE SHORTAGE OF ENERGY THROUGHOUT THE WORLD, WHICH IS AFFECTING ALL COUNTRIES.

'ALREADY POINTED OUT THAT TODAY'S CRISIS, THE ENERGY SHORTAGE WITH WHICH WE ARE CONFRONTED, IS THE RESULT, WHICH HAS BECOME EVIDENT WITH LEAPS AND BOUNDS, OF THE SHORTAGE OF ENERGY ALREADY EXISTING ALL OVER THE WORLD. WE MUST ALL OF US REALISE THAT WE CANNOT GO ON USING LIMITED RESOURCES OF ENERGY AND RAW MATERIALS AS WE HAVE DONE IN THE PAST 25 YEARS.

'SEEN IN THIS WAY, THE WORLD OF BEFORE THE OIL CRISIS WILL NOT RETURN. WE SHALL HAVE TO ADAPT OUR WAYS OF LIFE PERMANENTLY TO A MORE ECONOMICAL USE OF RAW MATERIALS AND ENERGY. THIS WILL CHANGE OUR LIVES. CERTAIN PROSPECTS WILL DISAPPEAR, BUT THIS NEED

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NOT MAKE OUR LIVES LESS HAPPY.

'WHEN SAYING THIS, ICERTAINLY DO NOT WANT TO STEP LIGHTLY OVER THE BIG PROBLEMS MANY OF OUR CO-CITIZENS ARE ALREADY EXPERIENCING TODAY AS A RESULT OF THE CRISIS SITUATION.

' THE PEOPLE IN THE HOTEL AND RESTUARANTTRADE, THE MOTOR TRADE AND MANY OTHERS INVOLVED IN THE MOTOR INDUSTRY,THE WORKERS,BUT ALSO THE EMPLOYERS, WHOSE EXISTENCE IS BEING THREATENED AND THE INCONVENIENCE OF THE RESTRICTION IN MOTORING. THE ONE IS SUFFERING MORE FROMTHE NECESSARY RESTRICTIONS THAN THE OTHER.

'THIS IS NOT JUST, BUT IS NOT ALWAYS POSSIBLE TO PREVENT THIS. MEANWHILE, THE GOVERNMENT IS PREPARING A PACKAGE OF MEASURES AIMED ESPECIALLY AT KEEPING UP EMPLOYMENT AS WELL AS POSSIBLE AND AT EQUALLY SPREADING THE BURDEN WE ARE BEING CONFRONTED WITH: THE HEAVIEST BURDEN ON THE STRONGEST SHOULDERS. THE SUBSTITUTION OF NATURAL GAS FOR OIL, WHICH HAS ALREADY STARTED, WILL BE EXTENDED WHEREVER THIS IS POSSIBLE.

'FOR BRANCHES OF INDUSTRY IN WHICH EMPLOYMENT WILL DECLINE DUE TO LACK OF RAW MATERIALS OR ENERGY, A REDUCTION IN WORKING HOURS AND SPECIAL MEASURES FOR DISMISSALS WILL BE INTRODUCED TO PREVENT THAT ONLY A FEW PEOPLE--I AM THINKING OF THE WORKERS IN THE INDUSTRIES WHICH WILL BE HIT FIRST-- WILL BECOME THE VICTIMS OF AN EMERGENCY AFFECTING US ALL. BY THE END OF NEXT WEEK THE GOVERNMENT WILL ASK PARLIAMENT FORAUTHORISATION FOR 1974 WHICH WILL ENABLE IT TO LAY DOWN SPECIAL REGULATIONS FOR ALL INCOMES, FOR THE WAGES OF WORKERS, BUT ALSO FOR THE SALARIES OF MANAGING DIRECTORS, THE FEES AND THE FREE PROFESSIONS AND THE SALARIES OF CIVIL SERVANTS, FOR ALL INCOMES, FOR RENTS, FOR LEASEHOLDS, FOR DIVIDENDS AND FOR BONUSES AND ROYALTIES.

'SPECIAL PRICE REGULATIONS WILL BE LAID DOWN. THE GOVERNMENT FEELS THAT WHEN THERE ISLESS TO SHARE,THIS LESSER AMOUNT MUST ALSO BE SHARED MORE EQUALLY.

'THIS IS A TIME IN WHICH WE WILL HAVE TO ACCEPT HARD FACTS. IN THE NEXT FEW WEEKS IMPERATIVE REGULATIONS WILL BE ISSUED. BUT MOST IMPORTANT OF ALL IS THAT WE ARE PREPARED TO FACE THE NEW PROBLEMS TOGETHER. I AM GRATEFUL FOR THE VOLUNTARY COOPERATION
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SO FAR GIVEN ON SUCH A SURPRISINGLY LARGE SCALE. THIS COOPERATION IS NECESSARY, FOR WE CANNOT FORCE THROUGH EVERYTING AND WE DO NOT WANT TO DO SO EITHER. BUT THIS COOPERATION IS NECESSARY TO SAVE PETROL,GAS ELECTRICITY. THIS COOPERATION IS ALSO NECESSARY TO GET ON TOGETHER IN FULL BUSES, TRAMS AND TRAINS WHEN WE CANNOT USE OUR CARS ANY LONGER.

'IF WE ARE PREPARED TO ACCEPT ALL THIS, THEN THE WINTER WILL
NOT BE A COLD ONE, HOWEVER HARD IT FREEZES.' (END TEXT).
TANGUY

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